



COURT: Cloud Peak judge approves bid procedures for 11 July auction, grants Centerview sealing request

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Cloud Peak Energy's bankruptcy judge today approved bid procedures that set up an 11 July auction of the company's assets. The judge also signed off on a contested motion to allow Centerview Partners, the debtor's investment banker, not to publicly disclose the identity of two of its clients.

The coal producer had initially proposed a 21 June auction, but pushed back the sale timeline following talks with its official unsecured creditors committee (UCC). The revised bid procedures set an 8 July bid deadline, 11 July auction and 18 July sale hearing. The company does not yet have a stalking horse bidder.

BOKF, trustee on Cloud Peak's USD 56m senior unsecured notes, had filed an objection to the bid procedures. Attorneys for BOKF appeared in court today to say they were not convinced that a sale is appropriate at this time but will not formally fight the sale process.

Judge Kevin Gross of the US Bankruptcy Court for the District of Delaware signed off on the bid procedures. The judge also approved the company's motion to file certain information relating to Centerview's retention application under seal.

The advisor disclosed 50 connections in its retention application but asked not to identify two clients whose engagements are "not publicly known and are commercially sensitive."

"It is fundamental to Centerview that we keep confidential client relationships confidential. ... Clients expect us to keep these matters confidential, it is important to them," Centerview Partner Marc Puntus said today on the witness stand.

US Trustee Andrew Vara objected to the sealing request, saying Centerview's privacy concerns "do not supersede the ethics and disclosure requirements of the Bankruptcy Code."

Judge Gross overruled the objection, saying document sealing is "often overused," but appropriate in this case as the two clients are not related to the debtor.

The company is set to return to court on a date to be determined in early July for final approval of its USD 35m in debtor-in-possession (DIP) financing.

Cloud Peak filed for Chapter 11 last month citing general coal industry distress, export market price volatility and challenging weather conditions.

by Pat Holohan

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